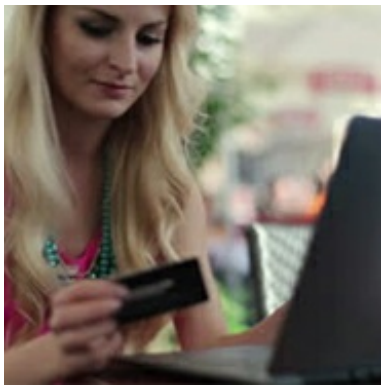


RESEARCH

## 63pc of affluent consumers want to opt out of online tracking: Luxury Institute

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By ERIN SHEA

Sixty-three percent of affluent consumers would choose to keep their online history and Internet activities private through an opt-out tracking policy, according to a new survey from the Luxury Institute.

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**Luxury Daily**

Affluent consumers do not want their personal information used for other purposes and many consumers do not trust the safety of their information when giving it to a brand. This means that luxury marketers need to earn the trust of their consumers before asking for their participation in online tracking.

“We underestimate the fact that consumers are concerned about their privacy,” said Milton Pedraza, CEO of the [Luxury Institute](#), New York.

“Unfortunately, if brands do not earn consumer’s trust and use their data in a trustworthy way, then consumers will opt out if there is privacy legislation passed,” he said.

“Brands then have to shift to earn the trust of consumers.”

The Luxury Institute’s Luxury Brand WealthSurvey surveyed 1,232 U.S. consumers in December 2012 about sharing their contact details in-store and online as well as their tracking preferences.

Respondents were at least 21 years of age and had a minimum annual income of \$150,000.

### Respecting the consumer

Although 68 percent of affluent shoppers are willing to give personal information to online retailers, 75 percent say this is because of purchase requirements to complete an online transaction, per the Luxury Brand WealthSurvey.

Women feel more pressured in-store to provide personal information during the checkout process. But only 24 percent shared their personal information during a recent in-store transaction.

Also, 66 percent of consumers feel comfortable sharing email in-store, compared to 78 percent feeling comfortable sharing it online.

Once consumers provide their information to a company, 60 percent feel little to no control over it, while 30 percent think that the security of their information is extremely likely to be compromised.

Luxury marketers need to make sure they are being transparent on their intentions when gathering consumers' information and need to earn their trust before asking for personal data.

"Brands cannot take data collection for granted," Mr. Pedraza said. "You need to earn that right to get that data and then use it in a trustworthy manor."

### Do not track

Recent U.S. legislation proves that consumers are seeking more control over their contact information and online activities.

If passed, the Do Not Track Act will let consumers stop companies from gathering their personal information online, but experts agree that there is most cause for concern among mainstream brands rather than those in the luxury sector.

Sen. John D. Rockefeller IV (D-WV) introduced the "Do-Not-Track Online Act of 2013" in the United States Senate Feb. 28 to help consumers keep their online habits private, which is a reintroduction of a 2011 bill.

The legislation will limit the availability of information that marketers use to place digital and mobile ads ([see story](#)).

Many affluent consumers would opt-out of online tracking if this legislation passed, according to Luxury Institute's survey.

Eighty-two percent of affluent customers have already placed their phone numbers on do-not-call lists and the majority reported that they would do the same if there was a similar online option for blocking their Internet activities.

However, luxury marketers can overcome this negative mindset on information sharing

by establishing relationships with customers, since 46 percent of respondents said that knowing a specific sales associate makes them more likely to give out contact information while shopping in-store.

“The way to do this is to have sales associates contact the customers directly,” Mr. Pedraza said. “Establish the communication with real humans and that will customize the experience.

“Relationship building is paramount when privacy is a concern,” he said.

Final take

*Erin Shea, editorial assistant on Luxury Daily, New York*

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